

Message Text

SECRET

PAGE 01 JIDDA 03533 191124Z

16

ACTION NEA-12

INFO OCT-01 ADP-00 SS-15 PM-07 NSC-10 CIAE-00 INR-10

NSAE-00 RSC-01 SSO-00 INRE-00 NSCE-00 L-03 OMB-01

TRSE-00 RSR-01 /061 W

----- 125583

O 191047Z AUG 73 ZFF-5

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 4684

INFO CNO WASHDC IMMEDIATE

USCINCEUR IMMEDIATE

SECDEF WASHDC IMMEDIATE

USMTM DHAHRAN IMMEDIATE

S E C R E T JIDDA 3533

SECDEF FOR ISA

E.O. 11652: GDS

TAGS: MASS, SA

SUBJ: SAUDI NAVAL EXPANSION PROGRAM

REF: STATE 164691

SUMMARY: WE BELIEVE SULTAN ENGAGED IN ESSENTIALLY
TACTICAL MANEUVER, BUT HE CAN FIND HIMSELF STUCK WITH
HIS OWN PROFESSED INTENTION TO RECOMMEND CANCELLATION
BY COUNCIL OF MINISTERS UNLESS WE COME UP WITH SOME
CONVINCING RESPONSE. AMB AND CHUSMTM WILL ENDEAVOR
MEET WITH SULTAN AUG 22 IN TAIF PROVIDE FURTHER
EXPLANATION AND DISABUSE HIM OF NOTION SOME SECRET
POLITICAL FORCE ENDEAVORING OBSTRUCT PROGRAM. WOULD ALSO
LIKE BE ABLE INFORM HIM NAVY TEAM WILL BE COMING FROM
WASHINGTON IN ABOUT TEN DAYS TO PRESENT FULLY PREPARED
STATEMENT OF ALTERNATIVE PROPOSALS. ACCORDINGLY,
RECOMMEND NAVAL REPS DELAY APPEARANCE HERE UNTIL AFTER
INTERIM MEETING WITH SULTAN AND IN ORDER ALLOW TIME FOR
CAREFUL REVIEW NEW PROPOSALS WITH NAVY TEAM BY EMBASSY
SECRET

SECRET

PAGE 02 JIDDA 03533 191124Z

AND CHUSMTM. END SUMMARY.

1. THERE CAN BE LITTLE DOUBT SULTAN FINDS HIMSELF IN EXTREMELY EMBARRASSING POSITION VIS-A-VIS HIS OWN GOVT IN HAVING TO SELL SKEPTICAL KING, FINANCE MINISTER, AND OTHERS JUSTIFICATION FOR A 30 PERCENT INCREASE IN COST OF NAVAL PROGRAM AFTER INTERVAL OF ONLY THREE MONTHS. WE CERTAIN SULTAN STILL WANTS US TO BUILD HIS NAVY SINCE HE HAS LITTLE FAITH IN CAPABILITIES OF EITHER FRENCH OR BRITISH TO PERFORM SATISFACTORILY SUCH MAJOR UNDERTAKING. NEVERTHELESS, IT WILL TAKE VIGOROUS EFFORT ON OUR PART PREVENT SULTAN FROM BECOMING ENTRAPPED IN HIS OWN TACTICS, INCLUDING PROFESSED INTENTION TO RECOMMEND CANCELLATION BY COUNCIL OF MINISTERS, ETC. TO FORESTALL THIS WE WILL EMBARK ON FOLLOWING STEPS:

A. I AM HAVING WORD SENT TO PRINCE THROUGH HIS MILITARY SECRETARY THAT I AM DEEPLY CONCERNED AT NEWS OF HIS DISSATISFACTION WITH SNEP AND AM DEVOTING PERSONAL ATTENTION TO PROBLEM AS MATTER OF HIGHEST PRIORITY.

B. WE WILL ALSO REQUEST APPOINTMENT FOR CHUSMTM AND AMBASSADOR IN TAIF AUGUST 22. AT THAT MEETING WE WILL DO OUR BEST DISSIPATE PRINCE'S NOTION (WHICH THROUGH IT PROBABLY TACTICAL STILL MUST BE FIRMLY ADDRESSED) THAT THERE IS SOME HIDDEN POLITICAL ELEMENT TRYING TO OBSTRUCT PROGRAM AND DAMAGE SAUDI-US FRIENDSHIP. WILL MAKE CERTAIN ALSO THAT HE UNDERSTANDS FULLY DETAILED REASONS FOR PRICE ESCALATION. (UNFORTUNATELY RELATIVELY LITTLE OF MOST RECENT ESCALATION IS ATTRIBUTABLE TO SAUDI NAVY DESIRES FOR ADD-ONS. AS WE UNDERSTAND IT HERE, USN PRESENTED \$595 MILLION PACKAGE BASED ON TYPES OF WEAPONS THOUGHT TO BE ADEQUATE FOR SAUDI NEEDS BUT WHICH WERE RAPIDLY BECOMING OBSOLESCEMENT. JUST AFTER PRESENTATION TO SAUDIS MUCH MORE MODERN VERSIONS OF THESE WEAPONS WERE GIVEN FINAL STAMP OF APPROVAL BY NAVY, WHICH THEN FELT COMPELLED PRESENT THEM TO SAUDIS, WITH RESULT THAT \$145 MILLION WAS ADDED TO PACKAGE. FURTHER, ADDITIONAL \$31 MILLION ADDED AS RESULT OF REFINED ESTIMATES AND \$9 MILLION AS RESULT OF MATHEMATICAL ERROR. HOWEVER, WE WILL DO OUR BEST EXPLAIN THESE ISSUES TO SULTAN IN MOST RATIONAL MANNER

SECRET

SECRET

PAGE 03 JIDDA 03533 191124Z

POSSIBLE. PRINCE'S LETTER JUST RECEIVED AND BEING TRANSMITTED BY SEPTTEL INDICATES HE ALREADY AWARE OF MAIN REASONS FOR LATEST LARGE ESCALATION IN PRICE.)

C. WILL ASSURE SULTAN THAT CAREFUL, DETAILED REVIEW OF SNEP NOW UNDERWAY IN WASHINGTON TAKING INTO ACCOUNT HIS HIGHNESS' DEEP CONCERNS RE COST AND HIS STATED OBJECTIVES FOR SAUDI NAVY.

D. IN ADDITION, WE WOULD LIKE BE AUTHORIZED INFORM SULTAN THAT WITHIN ABOUT A WEEK (SAY ABOUT AUG 27 OR 28) WE EXPECT NAVAL TEAM TO ARRIVE FROM WASHINGTON FULLY PREPARED PRESENT SOME ALTERNATIVE PROPOSALS SATISFACTORY TO HRH. WE BEG HIS INDULGENCE IN INTERIM AND ASSURE HIM SAUDI NAVY PROBLEM HAS BECOME ONE OF HIGHEST PRIORITY WITHIN USG. WE WILL MAKE CERTAIN SULTAN CAN RECEIVE TEAM IN LIGHT HIS INTENTION ACCOMPANY KING ON TRIP TO ALGIERS DEPARTING ABOUT SEPT 1.

2. COMMENT: WE REASONABLY CERTAIN SULTAN WILL NOT RPT NOT PLACE RECOMMENDATION FOR CANCELLATION BEFORE COUNCIL OF MINISTERS (WHICH COULD BE ALMOST AS EMBARRASSING TO HIM PERSONALLY AS REQUEST FOR APPROVAL ANOTHER LARGE INCREASE IN PROGRAM COST) UNTIL WE HAVE HAD CHANCE MAKE OUR CASE. LETTER MAKES NO RPT NO MENTION OF RECOMMENDATION TO COUNCIL OF MINISTERS AT THIS TIME.

3. THUS WE BELIEVE IT WOULD BE PREMATURE HAVE NAVY REPS APPEAR ON SCENE IN NEXT DAY OR SO TO ENGAGE IN DETAILED DISCUSSION OF ALTERNATIVES. IN OTHER WORDS, WE CONVINCED OUR PRESENTATION TO PRINCE OF ALTERNATIVES FOR SNEP CAN BE MADE MORE PERSUASIVE BY SPENDING BIT MORE TIME ON IT AND PARTICULARLY ALLOWING CAREFUL EXAMINATION AND REVIEW WITH EMBASSY AND USMTM IN LIGHT OF LENGTHY DISCUSSIONS WHICH HAVE BEEN TAKING PLACE OVER LAST FEW WEEKS BETWEEN RSN REPS AND PRINCE TURKI ON ONE SIDE AND USMTM ON OTHER. THACHER

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, NAVAL FORCES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973JIDDA03533
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS THACHER
Errors: N/A
Film Number: n/a
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730829/aaaaauwu.tel
Line Count: 144
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: STATE 164691
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 12 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Dec-2001 by martinml>; APPROVED <28 FEB 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SAUDI NAVAL EXPANSION PROGRAM
TAGS: MASS, SA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005